GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2423
ANSWERED ON:10.03.2011
OWNERSHIP OF NATURAL OIL AND GAS RESOURCES
Joshi Shri Mahesh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the gas extracted on the land in areas, rivers and offshore and onshore areas is the property of the Union Government ;

(b) if so, the details thereof;

(c) whether some States have claimed that the same is the property of concerned State;

(d) if so, the reaction of the Union Government thereto; and

(e) the final decision taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N.SINGH)

(a) to (e) As per Article 27.1 of Production Sharing Contract(PSC) under New Exploration Licensing Policy(NELP), the Government of India is the sole owner of Petroleum underlying the Contract Area and shall remain the sole owner of Petroleum produced pursuant to the provisions of this Contract except that part of Crude Oil, Condensate or Gas the title whereof has passed to the Contractor or any other person in accordance with the provisions of this Contract. The Hon'ble Supreme Court in Reliance Industries Limited −Reliance Natural Resources Limited (RIL-RNRL) case has also reiterated that all natural gas vests in the Union of India by virtue of Article 297. However, in accordance with Article 371A of the Constitution of India, the Nagaland State Assembly on 26th July, 2010 had passed a Resolution that in respect of "ownership and transfer of land and its resources" including mineral oil, no Act of Parliament shall apply to the State of Nagaland, which shall make appropriate Rules to apply and enforce within the State of Nagaland. In this regard, Ministry of Law and Justice, Government of India is of the opinion that the term "land and its resources" in Article 371 A would include mineral oil and their resources and the State of Nagaland would have the power to frame its own laws regarding ownership and transfer of such land and resources under Article 371A.